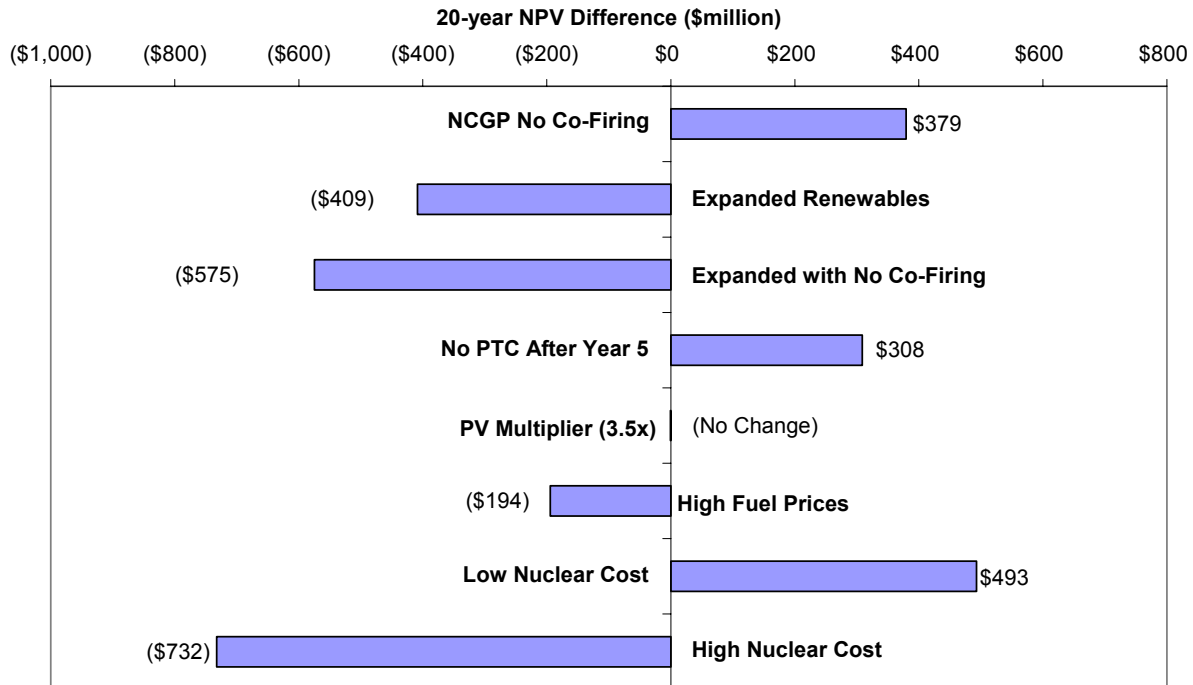


Figure 23

**20-yr NPV Differential of Sensitivities and Reference Case
(5% NCGP 20-yr NPV \$727 million)**



The sensitivities tested include the following:

- **No Co-firing:** Since co-firing does not contribute to incremental capacity or energy needs, we tested the exclusion of co-firing from both the NCGP and Expanded Resource Cases.
- **PTC Expiration:** In the scenarios, the PTC was assumed to continue for new facilities throughout the 10-year RPS study period. However, the renewal of the PTC is uncertain, so we tested a case in which the PTC is not renewed after the first five years of the RPS.
- **PV Multiplier:** Solar photovoltaic technologies are not directly competitive with other renewable energy options for per unit of energy generated, but there are additional benefits of promoting PV installations that can justify the use of a multiplier for PV resources. A multiplier means that for each unit of energy purchased from a particular resource, its contribution to meeting an RPS is, in this case, 3.5 times that of other resources.
- **High Fuel:** There is great uncertainty around the future cost of fossil fuels. The Base Case assumed a moderate view of future fuel costs for North Carolina utilities with coal at \$2.75/mmbtu (2006\$) and natural gas at \$8.00/mmbtu (2006\$), both increasing with an assumed inflation of 2.5%. However, as the past few years have demonstrated, fuel costs have been on the rise at a rate greater than inflation. There is